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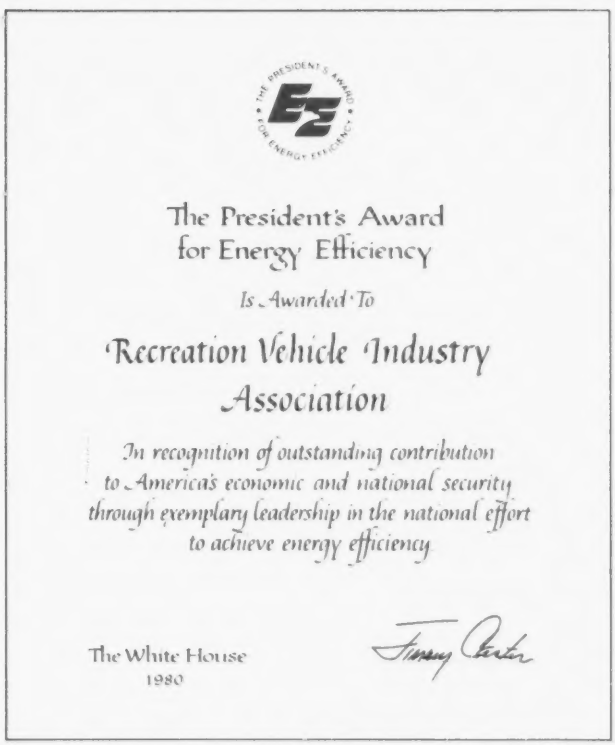
RV Financial Facts

A quarterly newsletter for the financial community about RVs and the family camping industry . . .

Vol. 5, No. 4 Winter 1981

RUSH TO: FILE

RVIA WINS PRESIDENT'S ENERGY EFFICIENCY AWARD



The President's Award
for Energy Efficiency

Is Awarded To

Recreation Vehicle Industry Association

In recognition of outstanding contribution to America's economic and national security through exemplary leadership in the national effort to achieve energy efficiency

The White House
1980

Jimmy Carter

Handsome calligraphic certificate was presented to RVIA President and General Counsel David J. Humphreys at White House Ceremony in recognition of RVIA's contribution to the nation's effort to achieve energy efficiency.

Conservation Efforts Applauded At White House Ceremony

RVIA has received the prestigious President's Award for Energy Efficiency in recognition of its "outstanding energy conservation accomplishments."

RVIA President & General Counsel David J. Humphreys accepted the award at a White House ceremony January 12. President Jimmy Carter, who created the award program in 1980 to encourage energy efficiency and recognize those who lead the way toward energy independence, presided over the ceremony.

The President congratulated RVIA and the other award recipients and credited them with having "contributed significantly to the 21 percent reduction in U.S. crude oil imports during 1980."

Members of the President's cabinet and White House staff—including Secretary of Energy Charles Duncan, Secretary of Agriculture Bob Bergland, Special Assistant to the President Hugh Carter and Assistant to the President Anne Wexler—participated in the ceremony.

RVIA was recognized for a number of accomplishments in energy conservation by the RV industry, including recent improvements in the energy efficiency of RVs; RVIA's public information program promoting energy conservation by RV owners; its effort in organizing and funding the American Recreation Coalition, which has conservation as a major goal, its cooperation with the Congressional Travel & Tourism Caucus in encouraging conservation, and its leadership in urging industry members to participate in the President's program which includes ride sharing and van pooling.

The purpose of RVIA's public information program was to produce immediate energy savings and to make a long-term commitment on the part of the RV industry to be increasingly energy efficient.

Recent product improvements were summarized as part of the program, and more were encouraged. Ads were taken out in 14 major newspapers and Humphreys, as the industry's chief spokesman, appeared on radio and TV talk shows in many parts of the U.S. More than 50,000 sets of the material summarizing the RV industry's energy accomplishments were sent to federal and state legislators

(More on page 7)

New!

FIRST ANNUAL SURVEY

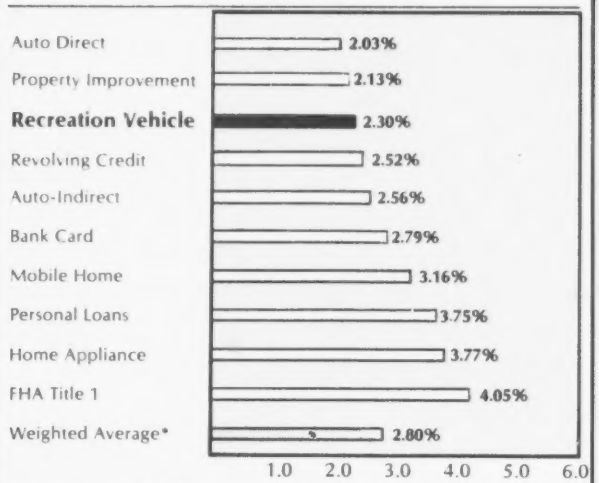
RECREATION VEHICLE FINANCING

(Highlights on page 4)

RECREATION VEHICLE INDUSTRY ASSOCIATION RVIA

Delinquency Rates on Bank Installment Loans - Third Quarter 1980

(In percent)



*Weighted average of eight loan types excluding bank card and revolving credit loans.

Source: American Bankers Assoc., Bulletin 413, Third Quarter, 1980

RV Owners Keep Good Rate For Loan Repayments

RV owners continue their good repayment rate on RV loans. RV loans continued their position as third highest in the loan repayment rate as compared with 9 other loan types for the third quarter of 1980, according to data released by the American Bankers Association.

The seasonally adjusted delinquency rate for RV loans was 2.30%, up slightly from the 2.27% rate of the second quarter. The RV percentage was topped only by auto direct loans and those for property improvement. Both categories are also up slightly—auto direct from 1.95% to 2.03% and property from 2.04% to 2.13%. Of the 10 loan types regularly charted by ABA, only two showed decreases—mobile home rate dropped from 3.17% to 3.16% and FHA Title One from 4.27% to 4.05%.

The RV rate was considerably better than the seasonally adjusted weighted average of 2.80%, up from 2.74%, for eight loan types, excluding bank card and revolving credit loans.

This marks the sixth consecutive quarter in which RV loans have maintained their third position rating.

The ABA defines a delinquent loan as one having an installment past due for 30 or more days, and the rate of delinquency is based on the total number of loans delinquent as a percentage of the total number of loans outstanding.

This good rating for RV loans reflects owner enthusiasm for the RV lifestyle and their continued use of their units despite the costs of gasoline and operation. Many owners are taking shorter trips, using their RVs for weekend mini vacations, rather than having the expense of longer, cross-country excursions.

Others are buying memberships in nearby campgrounds for use year-round, and some are utilizing time sharing plans to enjoy RVs.

Fleetwood Executive Named RVIA Board Chairman

Elden Smith, vice president, RV Group, Fleetwood Enterprises, Riverside, Calif., was elected 1981 chairman of the RVIA board at its meeting on Dec. 1, held, along with its 1981 Annual Meeting, in conjunction with the 18th Annual National RV Show Dec. 2-5 in Louisville, Ky.

Norman Jacobson, vice president of Contempo, N. Hollywood, Calif., was elected vice chairman, while Richard Klingler, president and chief executive officer of Holiday Rambler Corporation, Wakarusa, Ind., was elected second vice chairman.

Elden Smith

In addition, Warren Jones, president and chief operating officer of Hehr International Inc., Los Angeles, was reelected RVIA secretary, and Richard P. de Camara, president of Midas-International Corporation, Chicago, was reelected treasurer.

Smith succeeds David R. Miller, chairman of the board of Travel Equipment Corp., Goshen, Ind., who served as the association's chairman in 1979 and 1980 and now becomes ex-officio chairman.

Miller and all of the new officers, along with RVIA President & General Counsel David J. Humphreys, form the RVIA Executive Committee for 1981.

Smith, Jones and Klingler were among nine industry officials who were either elected or reelected to fill seats on the Board of Directors.

The others elected are: John Agno, marketing manager of Stirling Power Systems, Ann Arbor, Mich., as an Eastern supplier representative; Charles Willibrand, president, Play-Mor Trailers, Inc., Westphalia, Mo., as a travel trailer representative; William Rasmussen, president of Heritage Recreational Vehicles, Ltd., Granger, Ind., as a truck camper representative, and Keith Boswell, president of Pilgrim Manufacturing Company, Bellflower, Calif., as a van converter representative.

(more on page 3)

RV **Financial Facts**

Published quarterly by the Finance Committee of the Recreation Vehicle Industry Association as a service to the financial community. Complimentary subscription is available upon request.

RVIA Finance Committee:
Chairman, **Robert L. Berner,** Citicorp, New York City, NY; **Joseph J. Bradley,** Bank of America, San Francisco, CA; **Michael Dacko,** General Electric Credit Corp., Stamford, CT; **Joseph Gessiness,** Bangor Punta Acceptance Corp., Goshen, IN; **Joseph L. Lombardo,** American Acceptance Corp., Philadelphia, PA; **Robert R. Rawlings,** CIT Financial Services, New York City, NY; **David J. Leichey,** Fleetwood Enterprises, Inc., Riverside, CA; **Gordon Gilbert,** Coachmen Industries, Inc., Middlebury, IN; **Gary M. LaBella,** RVIA Staff, Chantilly, VA **Julia Herron,** *Editor*

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Financial Facts RECREATION VEHICLE INDUSTRY ASSOCIATION

RVIA Dealer Shows Herald Industry Upswing for '81

Dealers line up to register prior to opening of the highly successful RV Show at Louisville's Kentucky Fair and Exposition Center. Nearly10,000 attended the week-long exposition open only to industry members.

RVIA was a co-sponsor of the 28th Annual RV and Manufactured Housing Show held at Dodger Stadium, Los Angeles. More than 110,000 attended the public days of the show, the largest crowd ever.

RVIA held two of its biggest annual events during the fourth quarter of 1980, and if the mood and size of the crowds who attended are any indication of what future sales will be like, RV manufacturers and dealers can stand tall.

Things are again on the upswing for the up-and-down RV industry.

At November's 28th Annual Manufactured Housing & Recreation Vehicle Show at Dodger Stadium in Los Angeles, co-sponsored by RVIA with the Western Manufactured Housing Institute, a record 110,000 potential buyers surveyed the 500 new vehicles on display during the show's nine-day public run. The attendance surpassed the previous record established during one of the industry's boom years, 1976, and was a 26 percent increase over the 1979 gate.

At the 18th Annual National RV Show in Louisville Dec. 2-5, open only to industry representatives, dealers were buying like it was the mid-1970s again, restocking their inventories for what they expect will be a good year in 1981.

"We're really pleased with the turnout—we've had a lot of traffic—in fact, I'd judge this to be the best turnout of dealers I've ever seen at a Louisville Show," said Leon Shahnasarian of Coldstar, an RV supplier based in Elkhart, Ind. and an exhibitor at the show.

"In the first two days, we equalled the total of our last year's business here," said Bud Coons of Coons Manufacturing, Oswego, Kan., producer of Diamond RVs. "The dealers came to buy."

More than 10,000 industry officials, including 5,200 RV dealers, attended the Louisville Show.

RVIA Board *(from page 2)*

Also, Gerald Boman, senior vice president of Winnebago Industries, Forest City, Iowa, and David Struck, vice president of RV sales and service centers for Champion Home Builders, Dryden, Mich., were elected to at-large positions on the Board.

Klingler was also elected as an at-large representative, while Smith was reelected to an at-large seat. Jones was reelected to fill the Western supplier position on the Board.

At Dodger, which was open to dealers Nov. 5-7 and to the public Nov. 8-16, the wholesale days were as successful for many exhibitors as the retail days.

Several exhibiting manufacturers, proclaiming this year's to be the best wholesale Dodger Show they ever attended, came away with enough orders and new dealers to fill their production schedules into late spring and early summer of 1981.

"It seems obvious that the worst is now behind us in this industry," according to David J. Humphreys, RVIA's president and general counsel, "Realistically, we are not expecting to return to the high shipment numbers we enjoyed in the mid-1970s, but we're looking for solid improvement in 1981."

A recent forecast by United California Bank, one of the 15 largest banks in America, predicted that RV shipments would rise 30 percent in 1981 to 240,000 units. (see page 6)

"Even if that prediction does not quite hold true, we'll be in good shape next year," vows Humphreys. "Remember, there are less companies dividing the pie now, so we really don't need to do the volume we did in the past for our industry to remain strong and profitable.

An all-industry seminar, "Getting Down to Business," preceded opening day of both Louisville and Dodger Shows. More than 500 registered for the Louisville show, heard industry and economic experts, give views on what's ahead for RVs.

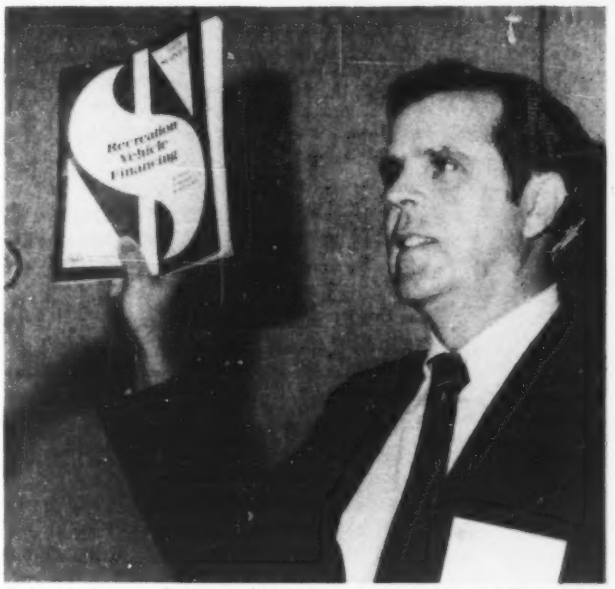
Lenders' Survey Finds RV Loans Add Profits to Portfolios

Lenders who are engaged in the financing of family camping vehicles find it profitable and intend to maintain or increase the size of their portfolios in the future. Those facts plus a score of others are contained in the findings of an RVIA survey on the 1979 experiences of lenders in RV financing.

Findings of the survey were announced at the two lender seminars held in conjunction with each of the association's two major fall shows, the Dodger Show in Los Angeles and the National RV Show in Louisville. The RVIA Finance Committee sponsored the seminars. Robert L. Berner, vice president of Citicorp, New York City, and chairman of the Finance Committee, made the survey presentation at both events.

Some 2,300 banks, finance companies and credit unions were contacted in August and asked to provide data about their experiences as lenders to RV manufacturers, dealers and RV owners. Information was requested on the retail direct, retail indirect, and floor planning finance methods on both new and used RVs. A total of 168 institutions, representing 6.8 percent of those surveyed, responded to the questionnaire. The replies represented 137 banks operating from 295 locations, 11 finance companies with 466 locations, and 20 credit unions—for a total of 781 doors that were open to RV financing during 1979.

"We were gratified to learn that nine out of ten (148 of the 168) revealed that RV loans were as profitable, or better, than auto loans," reported Berner, "and 140 of these indicated that their RV loans were as good or better than other types of secured loans. Their profitability was borne out by the fact that 84 percent of the replies indicated they will maintain or increase the size of future RV portfolios."



Robert L. Berner, chairman of RVIA's newly named Finance Committee, presents survey findings at Lenders' Day seminars at both Dodger and Louisville shows.

Typical Lender		
Making Loans	5	or More Years
Profits	$	as Good or Better Than Auto Loans

Ninety two of the 168 institutions provided data on the size of their overall loan portfolios as compared with their RV holdings. The combined value of their total portfolios was $13.1 billion, of which 19 percent or $2.5 billion was in RV financing.

Of the RV paper, $963 million (39 percent) was in two-party loans, representing 68 banks carrying portfolios of $960 million and 12 credit unions with nearly $3 million. The largest percentage of the holdings, $1.46 billion (58 percent) was in retail indirect paper. Banks held $1.02 billion of that figure and finance companies, $440 million. Floor planning represented $77 million of the total, with finance companies holding $45 million and banks, $32 million.

The survey revealed that by far the greatest percentage of lenders hold less than $500,000 in direct and wholesale loans . . . and less than $5 million in indirect loans. Ten banks reported direct RV loans outstanding in excess of $10 million.

The typical lender who responded to the questionnaire represents some six manufacturing lines and four dealerships though some have as many as 11 or more manufacturers and dealers in their portfolios. The great majority also use dealer recourse and manufacturer repurchase plans to protect their portfolios. However, a surprising 30 percent of the reporting firms indicated they do not have any portfolio protection plans.

Down payments required on both new and used RVs were about the same, ranging from less than 10 percent to more than 25 percent with the vast majority of the 112 reporting indicating that they required 15 to 25 percent down payments.

Credit life insurance, dealer added accessories, and disability insurance are also financed by the majority of lenders, with fewer of then financing physical damage, extended warranty coverage, and taxes and licensing.

Most of the respondents indicated they have been making RV loans for 5 or more years and also make loans on new and used boats, motorcycles and snowmobiles.

(more on page 5)

Future Plans RV Loans Portfolio		
84%	Same Size or Increase	137
14%	Will Decrease	22
2%	Will Eliminate	4
		163

Financial Facts RECREATION VEHICLE INDUSTRY ASSOCIATION

"AAA!" Lenders Give Seminars Top Rating at RV Shows

Continuity and flexibility are two key characteristics of the RV industry in coping with what has come to be recognized as the cyclical nature of its economy, speakers told the Lender's Day Financial Forums which were held on opening day of the two RVIA sponsored shows held this past November and December. The November exposition was held at Dodger Stadium in Los Angeles in early November, and the National RV Show was held at the Kentucky Exposition Center in Louisville the first week in December.

The seminars were a first for the Association, and similar programs, sponsored by RVIA's Finance Committee, were given at each seminar. About 50 representatives of financial institutions attended each event. They expressed enthusiasm for the program which concluded with luncheon and a conducted tour of the show.

The seminars were designed as learning days—for both financial representatives and RV industry personnel to share exchange information and learn from each other.

"We hope that your interest in the RV industry will be intensified by this day," RVIA President and General Counsel David J. Humphreys told the audience. He also expressed the hope that the financial institutions would recognize and back the work which the industry has done to "limit the extremes" of the cyclical economic swings it undergoes. "Our goal is to be the very best in your portfolios," he said.

Other speakers at each of the sessions were RVIA Finance Committee Chairman Robert L. Berner of Citicorp, who introduced the RVIA financial survey (see page 4), and Dr. Richard T. Curtin of the Survey Research Center of the University of Michigan, who presented the findings of a 10-month study on "The RV Consumer: Current Trends and Future Prospects," funded by RVIA. A panel of RV manufacturers concluded each program. They pointed out the innovations and changes that are taking place as the industry evolves toward the production of lighter, more fuel-efficient units.

Lenders' Day Seminars at both Dodger and Louisville concluded with conducted tours of the show. Financial representatives were taken through the exhibits in small groups enabling them to see new models and question manufacturers in detail.

"Continuity is the most important thing we can focus on," stated Norman Jacobson, vice president, Contempo Campers, North Hollywood, CA. "We have had continuity in our investment of money, personnel, and personal commitment. Manufacturers are going the limit to keep this industry going."

"Flexibility is the name of the game," said Elden Smith, Vice President-RV Group, Fleetwood Enterprises, Inc., Riverside, CA, and RVIA's newly elected Chairman. "Our needs for a strong economy are the same as any industry needs—but that we have survived during the past two difficult years is a credit in itself to our industry and the lifestyle it serves."

In his presentation, Dr. Curtin pointed out that the ownership of RVs is spread across a broad cross-section of the population, in every demographic subgroup. "This is a mainstream industry," he said, pointing out that "8.3% of all householders currently own an RV and 4.5% have indicated they intend to buy in the next ten months, and 11% intend to rent."

Curtin noted that since the rental market is already twice the size of the buyer market, the industry would be wise to develop a new "rental strategy" for RVs.

Curtin stated that he saw this as a short-term solution during a "stage of transition" when many people are concerned about energy prospects, but he also observed that it could well be a long-term solution as rental will serve to introduce new customers to the RV lifestyle and start a lifelong habit of "continuity" with RV products.

Humphreys listed developments within the industry that will help to reduce the violence of the industry's economic swings. These include RVIA's role in the development of the American Recreation Coalition by 60 national trade associations to counteract possible government discrimination against the recreation industry, and liaison with the Travel and Tourism Caucus consisting of 270 Congressmen, making it the largest caucus in Congress, and the one most concerned with protecting and promoting travel and tourism in the U.S.

Both of these point to strengthened leadership in relations with the federal government and related industries.

Survey Findings *(from page 4)*

Typically, direct loans for new RVs carry a 60 month maximum maturity while used RVs have a 42-month maturity date. Most firms that engage in indirect financing permit 84 months repayment for new RVs and 60 months for used units.

The survey was conducted by Thompson & Greenspon, certified public accountants of Fairfax, Va., and the findings are contained in a 20-page booklet which is being distributed to the financial community. Copies can be obtained by writing to the Finance Committee, Public Relations Department, RVIA, Box 204, Chantilly, Va. 22021.

In addition to Berner, current members of the RVIA Finance Committee are: Joseph J. Bradley, vice president, Bank of America, San Francisco; Michael Dacko, manager, manufacturer relations, General Electric Credit Corp., Stamford, CT; Joseph Gessiness, president, Bangor Punta Acceptance Corp., Goshen, Ind.; Joseph L. Lombardo, sales manager, American Acceptance Corp., Norristown, Pa.; Robert R. Rawlings, vice president, CIT Financial Services, New York, NY; David J. Leichey, corporate credit manager, Fleetwood Enterprises Riverside, CA, and Gordon E. Gilbert, senior vice president, Coachmen Industries.

Leading Banker Predicts RV Industry Upturn for '81

One of the largest banks in America has forecast recreation vehicle shipments to rise nearly 30 percent in 1981.

United California Bank, the 15th biggest bank in the U.S. and the 5th biggest in California, in its November-released 18th annual economic forecast, predicts RV shipments will total 240,000 units in the coming year, an increase of 29.7 percent over 1980.

The bank is projecting year-end 1980 shipments to total 185,000 units, a decline of approximately 40 percent from 1979. The Recreation Vehicle Industry Association, which tracks wholesale RV shipments on a monthly basis, reports 135,000 shipments through the first three quarters of 1980, including 45,000 during the third quarter.

According to Dr. Raymond Jallow, UCB's senior vice president and chief economist and author of the annual forecast, RV shipments in 1981 will be aided "by the recovery in the overall economy . . . and by relatively lower interest rates in 1981 compared with 1980.

In another part of his 68-page forecast, Dr. Jallow forecasts consumer spending to post a dollar gain of 11 percent in 1981, with real growth of 1.7 percent. Factors which should enable this growth to be realized, according to Dr. Jallow, include larger employment gains, the resumption of borrowing, improved confidence and the probability of some reduction in taxes to at least offset the increase in social security taxes.

"Among the three major categories of consumer spending, purchases of durable goods will show the strongest growth as sales of autos, furniture, appliances and recreational equipment swing from declines in 1980 to increases in 1981," Dr. Jallow also notes.

United California Bank has 312 offices in California and is the principal subsidiary of Western Bancorporation, the nation's largest multi-state bank holding company with 21 banks in 11 Western states.

Easing of Credit Limits To Help Buyers and Lenders

Financing an RV is going to be easier for prospective owners and dealers—and more profitable for lenders—in 1981 in several states, thanks to a change in the legal limits of installment credit.

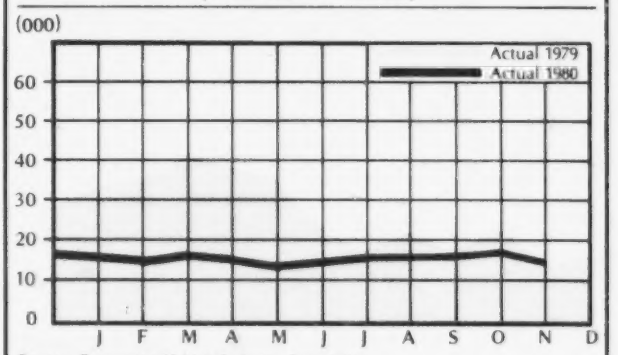
During 1980 many RV dealers and prospective buyers were faced with skyrocketing interest rates; the mercurial nature of the credit market affected dealer floor plans, inventories and sales center traffic.

Consumers generally need a loan to buy an RV; in fact, according to a study of RV buyers between May, 1979 and March, 1980, made by the University of Michigan Research Center, 51% of the buyers did take out a loan in order to buy. Historically, lenders have viewed RV loans as good business because of the low delinquency rate and the economic stability of the typical RV buyer. (See page 2)

However, the gyrations of the credit market this past year sent prevailing rates bumping up against legal limits—the state usury laws. Lenders could no longer make a loan to RV buyers in many states because the legally allowable maximum rate was lower than the rate the lenders themselves were paying for funds. Many potential buyers were turned away because financing could not be found.

Total RV Shipments by Months, 1979-1980

(In thousands of vehicles)



Source: Recreation Vehicle Industry Association

RV Shipments Buck History; Avoid Midseason Slump

RV shipments to retailers continued their upward trend from May through October of 1980, a reversal of the usual pattern in which sales are traditionally lower in late summer and fall. Moving from the year's low of 12,100 units in May, upward to 18,200 in October, the shipments then followed historical patterns and totalled 13,700 in November. The cumulative shipments for the year through November were 167.3, compared with 291.1 from a year ago, for an overall cumulative change of −42.4%.

The 6-months' upturn bears out data determined by the University of Michigan's Survey Research Center in a year-long study of RV consumers completed in May, 1980, revealing that there is a pent-up demand for RVs.

This steady upturn in sales coupled with the upbeat mood of dealers who were buying at the RVIA shows in November and December as well as the enthusiasm of the public who attended the Dodger Show (see page 3) are an encouraging sign to industry leaders. "I believe we'll see steady growth in both 1981 and 1982, punctuated only by occasional short-term fluctuations in interest rates," states Elden Smith, vice president, RV Group, Fleetwood Enterprises, and newly elected chairman of RVIA. "Our products will change to meet the changing needs of buyers who want smaller fuel efficient units.

"Buyers will continue to look for all the conveniences and amenities they have come to expect from our products, but they will also place more importance on function, reliability, and serviceability, too.

"We will have to work harder to meet their increased demands, but I have no doubt we can do it."

While several states addressed this problem in 1980, successful legislation was enacted as follows:

State	Bill
California	AB 3371
Connecticut	H 5618
Massachusetts	H 6057 and, H 6363
New Hampshire	H886

Further specifics as well as copies of the legislation of each state can be obtained from Charles Unger, Administrator, State Legislation Division, RVIA, Box 204, Chantilly, VA 22021.

Financial Facts RECREATION VEHICLE INDUSTRY ASSOCIATION

See You in Chicago!

Supplier Show Set for March; Committees, Board Also Meet; Formaldehyde Seminar Planned

RVIA's 4th Annual Suppliermart, considered *the* buying show for RV manufacturers and the only one in the industry designed specifically to meet the needs of the RV manufacturer, will be held March 12 to 14 at the Hyatt Regency O'Hare in Chicago. Some 1,500 RV manufacturers, suppliers and warehouse distributors are expected.

A total of 80 supplier firms will be exhibiting at the show and will occupy 160 booths, making this show considerably larger than the 1980 show which was held in Las Vegas.

The decision to move the show back to Chicago where it had been held in 1978 and 1979 was made in order to be closer to the majority of manufacturers and suppliers. Chartered buses will be run from the Elkhart, IN, area on March 12 and 13 where many of the firms are located. Attendance is anticipated to be as large as it was in the 1978 and 1979 shows.

In addition to the Suppliermart, other RVIA events have been scheduled for the same week. Four standing committees—Public and Legislative Affairs, Standards, Finance, and Suppliermart will meet on March 10, and three others—Communications, Marketing, and Annual Meeting—will hold meetings on March 11. The Executive Committee will also meet on March 11, prior to a meeting of the full Board of Directors on March 12.

Another important meeting is planned for March 13, when RVIA, in cooperation with the Formaldehyde Institute, will sponsor a seminar from 4 to 6 p.m. The meeting will deal with the legal, technical, legislative and regulatory issues involved in the use of products containing urea formaldehyde, which has been under attack by federal and state agencies and the news media because of its possible effects on health.

According to Joe Burns, vice president of sales of the Dometic Corporation, Elkhart, and chairman of the Supplier Show, RVIA is also extending an invitation to 150 marine manufacturers and their purchasing agents to attend.

Energy Award *(From page 1)*

and regulators, RV manufacturers, suppliers, dealers, campgrounds and RV owner clubs, as well as thousands of newspaper editors.

"We're very proud of what our industry and our association have accomplished over the past two years, and tremendously honored to have been recognized for our efforts by the President of the United States," RVIA's Humphreys said. "Our goal with regard to energy was to become part of the solution rather than part of the problem. Because of the efforts of the entire RV industry, we have succeeded beyond our wildest dreams.

"We look at our accomplishments to date, however, as only the beginning of what we consider a long-term commitment to help our nation achieve energy independence, while still helping millions of Americans improve their enjoyment of life in a wholesome, economical and energy-efficient way," Humphreys said.

Foreign Visitors at Louisville Eye American RV Markets

There's a brisk market for export of American RV products if the attendance of foreign visitors at the recent National Show in Louisville can be considered an accurate measuring device. There were some 350 foreign visitors at the four-day exposition, representing 17 nations from four continents.

They came from as near as Ontario, Canada, and as far away as Dandenogn, Australia. They were interested in products, design, and merchandising. Many wanted to buy from both manufacturers and suppliers; others wanted to sell their products to the American market. There were manufacturers, dealers, distributors, editors. All were enthusiastic about what they saw and heard, and the businessmen and women whom they met.

Distributors representing franchises and sales outlets throughout Europe were eager to get new line products. Some, like Norbert Hoyer, editor of Motor Caravan Journal, a West German publication for both manufacturers and owners of RVs, planned to test drive a unit from the Louisville show back to the manufacturer's plant in Indiana in order to report to his readers.

Others, like Franco Baraldini, an automotive dealer in Bolzano, Italy, came to buy mini-homes and travel trailers, and Fernando Bellva, a Mexico City RV manufacturer, came to buy windows for the campers his firm builds. While the Australian visitor had the distinction of coming the farthest, the 145 Canadians could lay claim to having the largest number of delegates. Others from North America included 17 from Mexico. South America was represented by two dealers from Brazil. Europeans comprised the balance of the visitors. Of these, 64 were from West Germany, 35 from the United Kingdom, 22 from France. Other visitors that gave the show its international flavor were from Austria, Belgium, Iceland, Italy, Netherlands, Norway, Sweden and Switzerland.

Commerce Dept. to Give Export Tips At Recreation Industry Seminar

The U.S. Department of Commerce, in cooperation with the Recreation Industry Council on Exporting (RICE) is sponsoring an April 1 seminar for American firms interested in developing or enlarging their foreign markets. Several RVIA manufacturers and suppliers are expected to participate. The seminar will be held in Washington, D.C.

Topics to be covered include the rights of the manufacturer in overseas markets, how to identify foreign customers, the data available from the Department regarding foreign markets, how to conduct overseas market promotion, as well as the legal, financial, and transportation aspects of the export market.

In addition to RVIA, other members of RICE include Sporting Goods Manufacturers Association, Bicycle Manufacturers Association, the Ski Industry of America, International Snowmobile Industry Association, Sporting Arms & Ammunition Manufacturers Association, National Marine Manufacturers Association, Non-Power Gun Association, National Shooting Sports Foundation, and the American Fishing Tackle Manufactuers Association.

CONVENTION CASSETTES

"Getting Down to RV Business"

Recreation Vehicle Industry Association

Louisville, Kentucky December 1, 1980

MEETINGS INTERNATIONALE

Cassette Tapes Are $6.00 Each

RVIA Market Analysis Committee
John Agno - Moderator

☐ RVIA 0-1	**U.S. Economy; Where Is It Headed?** Dr. Richard W. Rahn, Chamber of Commerce of USA, Washington, D.C.
☐ RVIA 0-2	**Sales Climate in 1981** Robert C. Honke, Sales Manager, RV Div. Ford Motor Company, Detroit
☐ RVIA 0-3	**Potential R.V. Rental Market** Dr. Richard Curtin, Survey Research Center, U. of Michigan
☐ RVIA 0-4	**R.V. Rental Unit** John Ostaf, Motor Camping of North America, Richmond, B.C., Canada
☐ RVIA 0-5	**Financing The R.V. Rental Unit** Richard Duste, Marin RV Center, San Rafael, CA
☐ RVIA 0-6	**Profit Potential For R.V. Parts And Accessories** Grayson E. Schwepfinger, Hardison Institute, Chicago

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RV Financial Facts

A quarterly newsletter for the financial community about RVs and the family camping industry . . .

Vol. 6, No. 1 Spring 1981

RUSH TO: FILE

Show & Tell Exhibits Give RV Industry Facts to Financial Executives

Congressman Jim Santini (D-NV), L, accepts RVIA's National Legislative Award from Chairman Elden Smith. The award is given annually to a legislator who has distinguished himself in legislative matters. Santini has served as chairman of the Travel & Tourism Caucus almost since its inception.

Nevada's Santini Named Winner National Legislative Award

Rep. James D. Santini (D-NV), chairman of the U. S. Congressional Travel & Tourism Caucus, has been given RVIA's 1980 National Legislative Award "for his leadership and skill in insuring the continuing development and growth of the Caucus."

RVIA Board Chairman Elden Smith (vice-president of the RV Group, Fleetwood Enterprises) made the presentation in a March 27 ceremony in the Congressman's Las Vegas office. The award is given annually to an individual who has distinguished himself in legislative matters pertaining to the RV industry.

In making the award, Smith lauded Santini for his efforts with the Caucus, saying, "The time you spent and the pro-

(more on page 2)

"Reach-Out" Program for Loan Officers Includes National Lenders' Conventions

Show and Tell exhibits, as well as personal appearances by RVIA executives before financial audiences are giving lenders an opportunity to increase their knowledge of the recreation vehicle industry.

As an integral part of its "Reach-Out" program to the financial community, RVIA is participating as an exhibitor at two national conferences this spring. The association was one of 54 exhibiting firms in the National Instalment Lending Conference of the American Bankers Association held at Los Angeles, March 22-24. A similar program is planned for participation in the National Consumer Finance Association's convention in San Francisco, May 25-28.

A colorful new 10-foot exhibit, especially tailored to present facts about recreation vehicles of interest to the lending community was introduced at the Los Angeles conference. Pertinent facts about the industry are featured in the exhibit as well as titles of an assortment of reference books available from the association. The exhibit is highlighted by a series of lighted color transparencies showing families using and enjoying the various types of camping vehicles.

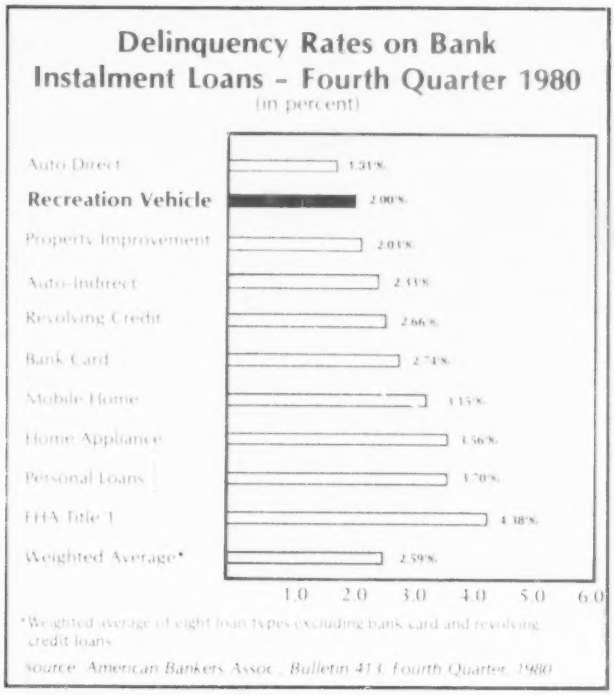
Financial Survey Released

Nearly a thousand lending officers of banks had the opportunity to receive resource data about the RV industry at the ABA meeting. Included in the portfolio distributed to the delegates were copies of RVIA's new Survey of RV Financing, demographic data about RV consumers, and highlights of a study of RV consumers conducted for RVIA by the Survey Research Center of the University of Michigan, and RVIA's annual year-end report on the distribution of recreation vehicles.

A complimentary subscription to *Financial Facts* was also offered to the delegates.

Participation in these national conferences is a direct follow-through to the successful series of "one-on-one" meetings that David Humphreys, RVIA president and

(more on page 4)



RV Owners Try Harder, Reach #2 Spot Best Own Record in Delinquency Ratings

During the fourth quarter of 1980, RV owners topped their own performance and moved from third to second position in the loan repayment rates regularly charted by the American Bankers Association.

Their performance earned them a delinquency rate of 2.00%, even better than their 2.30% rate in the third quarter and bested their comparable fourth quarter rate of 1979 when the rate was 2.04%.

This high rating puts them in close contention to the Number One spot currently, and traditionally, held by auto direct loans with a 1.81% fourth quarter delinquency rate. All but two of the loan types regularly charted by ABA showed a decrease in the fourth quarter; the rate for revolving credit loans was up from 2.52% to 2.66%, while FHA Title 1 loans were up from 4.05% to 4.38%.

The RV delinquency rate was considerably better than the weighted average for all loans of 2.50%, but that figure, too, was down from 2.80% in the third quarter.

The "try harder" position held by RV owners marks the first time since the second quarter of 1977 that their performance has moved them into contention for the top rating.

The ABA defines a delinquent loan as one having an instalment past due for 30 or more days, and the rate of delinquency is based on the total number of loans delinquent as a percentage of the total number of loans outstanding.

Santini Award *(from page 1)*

grams you initiated were truly inspirational and made the Caucus a respected, active force for the members of Congress and the industry which supports you. We are pleased that you recognize that recreation vehicles are an important part of the travel and tourism business."

RV Industry Seeks Hill Backing For Recreation Caucus

RVIA is keeping its communication lines open on Capitol Hill in matters that affect the recreation industry as the 97th Congress gets down to business.

The Public and Legislative Affairs Committee, under the chairmanship of David R. Miller, Travel Equipment Corportion, Goshen, IN, passed a resolution supporting President Reagan's economic program at its March meeting, and RVIA members are now relaying that support to their Congressmen and Senators, as well as the President.

Another top priority activity is backing of H.R. 2501, the bill introduced by Congressman John LaFalce (D-NY) that would usurp state usury laws. RVIA members are actively working to encourage sponsorship of that bill through contact with their legislators and by urging others in their communities to work for its passage.

Concurrently, RVIA is working in behalf of the LaFalce bill at the national level with other associations with kindred interests, including the American Bankers Association, the National Consumer Finance Association, the National Automobile Dealers Association, the Recreation Vehicle Dealers Association and the American Recreation Coalition.

RVIA staff and membership personnel have been enthusiastic participants in other major events on Capitol Hill, beginning with their support and attendance at the U.S. Congressional Travel and Tourism Caucus dinner in January. Several association members came from out-of-town especially to attend, including RVIA Board Chairman Elden Smith, vice president, RV Group, Fleetwood Enterprises, Riverside, CA.

Two other events, sponsored by the American Recreation Coalition, have been included in RVIA efforts this spring. ARC has sponsored receptions for freshmen members of the House as well as new members of the Senate, and RVIA members and staff have attended both functions.

The American Recreation Coalition also holds monthly roundtable meetings at which Congressional leaders are invited to exchange viewpoints with the participants on matters affecting recreation including land use, energy consumption, and the economy. RVIA staff members have been enthusiastic supporters of these meetings.

(more on page 4)

RV Financial Facts

Published quarterly by the Finance Committee of the Recreation Vehicle Industry Association as a service to the financial community. Complimentary subscription available upon request.

RVIA Finance Committee:
Chairman, **Robert L. Berner,** Citicorp, New York City; **Joseph J. Bradley,** Bank of America, San Francisco; **Michael Dacko,** General Electric Credit Corp., Stamford, CT; **Joseph Gessiness,** Bangor Punta Acceptance Corp., Goshen, IN; **Ron Hanna,** Winnebago Acceptance Corp., Forest City, IA; **Joseph L. Lombardo,** American Acceptance Corp., Philadelphia, PA; **Robert R. Rawlings,** CIT Financial Services, New York City; **Gordon Gilbert,** Coachmen Industries, Inc., Middlebury, IN; **Gary M. LaBella,** Public Relations Administrator, RVIA Staff, Chantilly, VA.
Julia Herron, *Editor*

Recreation Vehicle Industry Association, 14650 Lee Road, Chantilly, VA 22021 (703) 968-7722; Western Region: 1748 West Katella Avenue, Orange, CA 92667 (714) 532-1688.

Recreation, Travel, Tourism Spotlighted at Capitol Hill Functions

Several RVIA officers and members of RVIA's Public & Legislative Affairs Committee attended the U. S. Congressional Travel & Tourism Caucus dinner in Washington in late January. More than half of the House membership belongs to the Caucus, the largest in Congress.

RVIA Secretary Warren Jones (Hehr International, Los Angeles) with California Rep. Bobbie Fiedler (R-CA) during the T&T event.

David Gogol, (l.), aide to Sen. Richard Lugar (R-IN) with William Garpow, RVIA's executive vice president, during the same Caucus dinner.

Sen. and Mrs. Ted Stevens (R-AK), l., chat with RVIA President David Humphreys (center) and Dr. David Edgell, special assistant to the Secretary of Commerce, at the American Recreation Coalition's Senate reception.

Rep. John Hiller (R-IN), r., gets industry viewpoint on pending legislation from David R. Miller, Travel Equipment Corporation, Goshen, IN, chairman of RVIA's Public & Legislative Affairs Committee, at the T&T Caucus event.

Seek Industry Viewpoint

Congressional Travel and Tourism Caucus Names Humphreys to Advisory Board, & Executive Committee

David J. Humphreys, RVIA president and general counsel, has been appointed to the 1981 Advisory Board of the U. S. Congressional Travel & Tourism Caucus as well as to its Executive Committee. The announcement was made by Rep. James Santini (D-NV), chairman of the Caucus.

Humphreys is one of 39 officials in the travel and tourism industry who received the Advisory Board appointment and one of only 11 officials named to the Executive Committee.

The Caucus was formed in early 1980 and now has more than half of Congress as members. The Advisory Board was established to gain the perspective of the travel and tourism sector, now the nation's third largest industry, on the many challenges which confront it.

The Executive Committee receives numerous assignments from the full Advisory Board and has the responsibility to handle issues that arise between meetings of the Board.

One of Humphrey's first appointments has been to the special Oil Disruption Planning Committee of the Caucus, along with seven other Advisory Board members.

Humphreys said he is "extremely honored" to be among those chosen to serve on the Advisory Board. He expects to use his seat to voice the concerns of all facets of the recreation vehicle industry, as well as those of the American Recreation Coalition (ARC) to which RVIA belongs. Humphreys serves as chairman of the board of ARC.

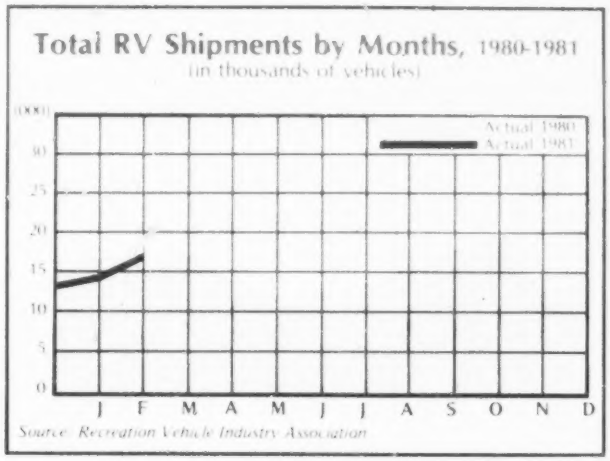
According to Santini, Advisory Board members are selected from a range of industry sectors to provide representation from the many diverse components of travel and tourism. In addition, each of the 15 Congressmen who serve as the Caucus Steering Committee appoints an individual from his geographical area to give the Board geographic balance.

Show & Tell Exhibits *(from page 1)*

general counsel, has been conducting with key lending organizations across the country in the past six months. A short slide narration on the goals and activities of RVIA, as well as historical and current data on shipments, and consumer demographics are included in his presentation. This same presentation will also be available to audiences of local and state financial organizations throughout the balance of the year.

These activities form the backbone of the "Reach-Out" program recommended to the RVIA Board of Directors by members of its Finance Committee, soon after they were appointed in 1980. At that time, the committee named greater communication between the financial and recreation vehicle communities as its first priority.

Since then, the association has conducted and published its first annual survey of lenders to determine their experiences in RV financing and increased the circulation of *Financial Facts*. Together these activities demonstrate the family camping vehicle industry's desire to open and strengthen relationships with the lending community.



'81 Shipments Up; Analysts Predict Healthy Increases for Year Ahead

Shipments of recreation vehicles were up in January and February, 1981, over year-ago statistics, prompting some industry watchers to predict higher sales levels throughout the year.

January shipments by manufacturers to retailers totaled 14,900 units, nearly a thousand more than in December. February's 17,500 shipments were that month's best since 1978 and were in sight of 1980's high of 18,200, attained in October. Preliminary data on March indicates even higher shipments than in January and February.

According to John DeWolf, vice president, Cahner's Economics, the worst is over for the industry. "Total RV shipments have turned up after the worst slump in their history. We see them gaining nearly 45% this year."

A similar positive note was sounded by Robert Curran, assistant vice president, Merrill, Lynch, Pierce, Fenner and Smith. "Shipments (of RVs) could total 200,000 to 210,000 units," the analyst commented. Curran's prediction would indicate a gain of 10% to 15% over a year ago.

"Motor home shipments, which were particularly depressed last year, have already begun showing some relative improvements during the last few months," Curran continued. In summarizing his forecast for the industry, "Decent profits can be reattained," Curran stated.

February's wholesale shipment data would certainly seem to support these favorable forecasts. Motor home shipments were up 26.1% over February, 1980, and up more than 15% for the year.

The statistics on consumer buying possibilities compiled by the Survey Research Center at the University of Michigan were also improved. They were recorded at 4.6% in February—nearly double the December, 1980 reading.

Industry Seeks Hill Backing *(from page 2)*

Membership in ARC is comprised of sixty-plus associations and organizations that are dedicated to the protection and enhancement of every citizen's right to pursue health and happiness through leisure-time activities. David J. Humphreys, president and general counsel of RVIA, currently serves as Chairman of the board of ARC.

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Vol. 6, No. 2 Summer 1981

RUSH TO: FILE

Lugar Credit Bill Gets Backing of RVIA Finance Committee

Mike Gilbert, vice president of Coachmen Industries, appears before Senate Subcommittee on Financial Institutions in behalf of Senate Bill 1406, introduced by Indiana's Senator Lugar.

Gilbert Speaks for Industry at Senate Subcommittee Hearing

"State usury laws impose unrealistic limits on interest rates for consumer borrowing and have jeopardized the availability of consumer credit," according to an RVIA spokesman who testified before the Senate Subcommittee on Financial Institutions on July 9.

The occasion was the public hearing on Senate Bill 1406, the Credit Deregulation and Availability Act of 1981, introduced by Senator Dick Lugar (R-IN).

The speaker was Gordon E. (Mike) Gilbert, a member of RVIA's Finance Committee and senior vice president of Coachmen Industries, a Middlebury, IN, based manufacturer of recreation vehicles and manufactured homes.

The Senate bill would make consumer financing more available nationwide by preempting state interest rate ceilings on consumer, agricultural, and business credit and eliminating the federal ceiling on interest rates that federal credit unions can charge.

Gilbert pointed out that, "Although the origin of the usury statutes was to protect the consumer, the volatile interest rates of the past several years have, in reality, worked against the consumer." He gave four examples of how the laws have adversely affected the consumer.

"First, (the laws) dictate the consumer's choice of a product by denying credit to otherwise qualified customers, rather than letting the customer decide whether or not the rates are too high.

"Second, RV dealers in many cases must pay points to the lender to subsidize the state-controlled rate—thus they increase their price structure and cause the cash buyer to pay more.

"Inequitable competitive situations in markets close to state borders are a third factor," stated Gilbert. "Customers simply travel across a state line for a better price or easier financing.

"Lastly, the unavailability of financing caused by the usury laws, has resulted in the sharp decline or RV dealerships. This means inconvenience for warranty service with the consumer having to travel more miles to obtain service than he had planned."

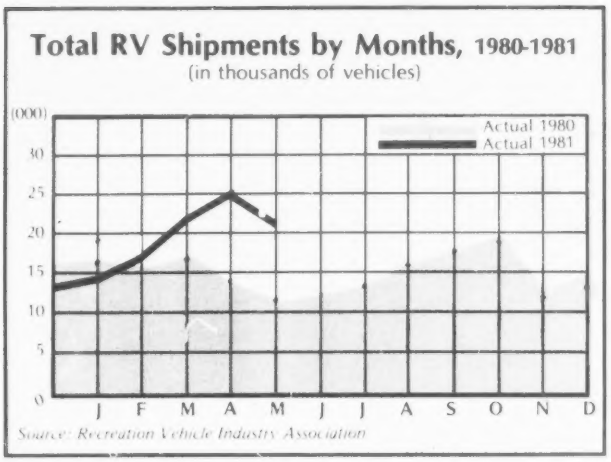
(more on page 3)

Shipments Show Healthy Rise As Buyers Start Spending

Recreation is important to consumers—and they are willing to pay for it. That fact has become evident with the decided upturn in RV shipments and sales this spring. (See chart, page 2).

"Many consumers who have put off buying RVs while waiting for interest rates or gas prices (or both) to come down just can't wait any longer," according to David J. Humphreys, RVIA's president and general counsel.

Noting that both long-time RV enthusiasts and first-time buyers have been active in the RV marketplace this spring, even though interest rates and fuel prices are still high, Humphreys said that, "Those who enjoy the RV lifestyle have learned to adjust and make room in their budgets for things that are important to them."



RV Shipments Soar 37%; Best 3-Month Record Since '79

Shipments of RVs to retailers have zoomed 37% ahead of 1980 through May, 1981, and the three-month total of 69,300 for March, April, and May marks the best three-month total since the spring of 1979.

May's shipments of 21,500 units were 78% ahead of May of 1980 when they totalled 12,100 and the year-to-date (through May) adds up to 101,600 units versus 74,400 from last year for an increase of 36.6%

Total deliveries to retailers of all towable RVs (travel trailers, fifth wheels, folding camping trailers, and truck campers) were 10,200 in May, 1981, bringing the total to the year of 47,600, or an increase of 30.5% over 1980's 36,500.

Motor homes with 15,500 units shipped from January through May, 1981, boast an increase of 46.2% from 1980's comparable time period. In this category, the conventional motor homes, known as Type A, had the highest percentage increase of all types—133.3% in May, 1981, over May, 1980. They were 80% ahead for the year with 6,300 shipped to date.

Uniform MCOs Give Lenders Greater Ownership Integrity

Effective with the 1980 model year, the American Association of Motor Vehicle Administrators (AAMVA) inaugurated a uniform Manufacturer's Certificate of Origin (MCO) which has since been required by many states to be placed on all towable and motorized RVs, as well as automobiles and trucks, that are sold within the state. Purpose of the uniformity is to discourage the possibilities of counterfeiting and thus reduce theft of vehicles.

Exclusive designs are used in the intaglio (or engraved) printing process to create the MCOs. As a result, it is more difficult for a new RV to be stolen from a manufacturer, dealer or transporter and marketed under a falsified document. Many financial institutions are now obtaining these documents for all units in their floor planning portfolios. Use of the MCO increases the institution's security as the vehicle cannot be titled or sold without the certificate.

There are 22 states that either require or strongly recommend the use of the uniform MCO. These states include: Connecticut, Delaware, Florida, Illinois, Kansas, Maryland, Massachusetts, Maine, Nebraska, Nevada, New Hampshire, New Jersey, North Carolina, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, Wisconsin, and Wyoming.

The AAMVA continues to work to encourage states to mandate the use of the uniform MCO, thus helping assure security for owners, retailers, manufacturers, and their lenders.

Congress Expected to Pass National Tourism Policy

The tourism industry, third largest in the U.S., may be on its way toward a higher ranking in the "pecking" order of the federal bureaucracy. While differing in the method of achievement, legislation has already passed both House and Senate that would implement a national tourism policy and upgrade the current U.S. Travel Service from a bureau with an assistant secretary to one of higher status.

The Senate bill would make it an independent agency and provide $10 million to get it started; the industry would like that because it would give them a greater degree of independence.

The House bill would not convert the bureau to an independent agency, but would establish a U.S. Travel & Tourism Administration within the Department of Commerce. It would be headed by an Under Secretary who would report directly to the Secretary of Commerce. His duties would be to encourage travel to the USA by residents of foreign countries.

The next step is for the issue to be resolved by a Conference Committee before final enactment and submission to the President for signature.

Bills similar in intent were passed at the last session of Congress but were pocket-vetoed by President Carter. That situation is not expected to be repeated with President Reagan.

More than half of the members of the House belong to the U.S. Congressional Travel and Tourism Caucus, and the Senate has a similar caucus. These lawmakers are fully aware of the significance of travel and tourism to the economy of their own constituencies.

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Julia Herron, *Editor*
Recreation Vehicle Industry Association, 14650 Lee Road, Chantilly, VA 22021 (703) 968-7722: Western Region: 1748 West Katella Avenue, Orange, CA 92667 (714) 532-1688.

Lenders' Fall Seminars to Feature Results of RV Financial Survey

RVIA's second annual Survey of Recreation Vehicle Financing is now in work. In early June, approximately 3,500 banks, finance companies, and credit unions were sent questionnaires and asked to give data regarding their direct, indirect, and wholesale financing of family camping vehicles.

The survey covers both new and used units. Additional questions were asked regarding the profitability of RV loans compared with others, how repossessions are marketed, involvement in renting or leasing plans, the methods of determining loan values, as well as future plans for RV financing.

Results of the survey are currently being correlated and analyzed and will be released at the lenders' seminars that will be held at each of RVIA's fall trade shows.

The first seminar will take place at the 29th Annual RV and Manufactured Housing Show to be held at Dodger Stadium, Los Angeles, November 10 to 13. The show is co-sponsored by RVIA and the Western Manufactured Housing Institute. The seminar will be held on the opening day of the exhibits, Wednesday, November 11, from 1:00 to 4:00 p.m. at the Stadium Club, Dodger Stadium.

A comparable seminar will be held on December 1 at RVIA's National RV Show at the Kentucky Exposition Center in Louisville. It, too, will be held from 1:00 to 4:00 p.m. . . . thus allowing lenders time to visit the show to see the new product lines as well as to attend the seminar and hear of the latest trends and the state of the industry from RVIA lenders.

Buyers Spending; Sales Up *(from page 1)*

Humphreys' remarks were made before the annual conference of the Outdoor Writers Association of America held in Louisville in early June.

"Most of the 6 million RV families in this county consider RVing a very important part of their lifestyle," Humphreys noted. "A recent study by the University of Michigan showed 60% of all RVers plan to buy another RV when they trade their present one."

In commenting on the increased shipments in 1981 over 1980, Humphreys told the group that the increase in sales was not unexpected. "We saw strong indications of the turnaround at retail RV shows last fall and winter when many broke all-time attendance records."

Humphreys pointed out that the recovery for RVs has been at a faster pace than have large cars or light-duty trucks and that he is as optimistic about the industry's long-term future as he is about prospects for the remainder of this year.

"On the energy scene, conditions are constantly improving," Humphreys noted. "Supplies are good, prices have stabilized and the attitude of our federal government about energy use for recreational purposes has improved. Because of that and the fact that our industry is continuing to make solid improvements in the fuel efficiency of our vehicles, we feel optimistic that energy will not be a deterrent to RV sales in the future.

"The new conservative approach to budgeting will require special efforts to assure the proper maintenance and availability of government-owned campsites and other recreational facilities. There is an effort now to have user fees go toward maintaining what they are collected

(more on page 4)

Gary LaBella, RVIA's public relations administrator, (left), and Finance Committee Chairman Robert L. Berner, vice president, Citicorp, (center) discussed the desirability and profitability of RV financing with delegates who attended the National Consumer Finance Association convention.

RVIA "Reaches Out" to Consumer Finance Group

As a continuation of its "Reach-Out Program" to lenders, RVIA was an exhibitor at the annual convention of the National Consumer Finance Association held in San Francisco in late May.

More than 1,200 consumer finance company representatives attended the meeting and show. They had the opportunity to meet RVIA staff and Finance Committee representatives and to receive resource data about the industry, including demographic data on RV consumers as well as copies of the survey on Recreation Vehicle Financing conducted by RVIA highlighting the experiences of banks, finance companies, and credit unions in indirect, direct, and wholesale financing.

RVIA had sponsored a similar exhibit at the American Bankers Association's Instalment Lending Conference in Los Angeles in March.

Lugar Credit Bill *(from page 1)*

Gilbert told the subcommittee that on a national basis the failure rate among dealers has been 47% to 50% since 1978, a blame that has been as much the result of the credit crunch as the nation's energy problems.

"To a small business, the loss of one or two or more sales a week because of credit non-availability is the difference between profit and loss . . . between keeping afloat or going out of business," Gilbert said. "All of this has meant the permanent loss of thousands of jobs that revolve around the manufacture and distribution of family camping vehicles."

Gilbert praised Senate Bill 1406 because it "follows the precedent of removing rate ceilings and emphasizes a free market philosophy to which members of RVIA heartily subscribe."

Lugar's sponsorship of the bill is recognition that such legislation would be especially helpful to the automobile and recreation vehicle industries, both of which contribute greatly to Indiana's economy.

Co-sponsors of the bill were Senators Jake Garn of Utah, William Proxmire of Wisconsin and Alfonse D'Amato of New York.

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RV standards and the meaning of the RVIA seal are featured in current consumer advertising program.

RVIA Standards Program Reaches 3 Million Mark

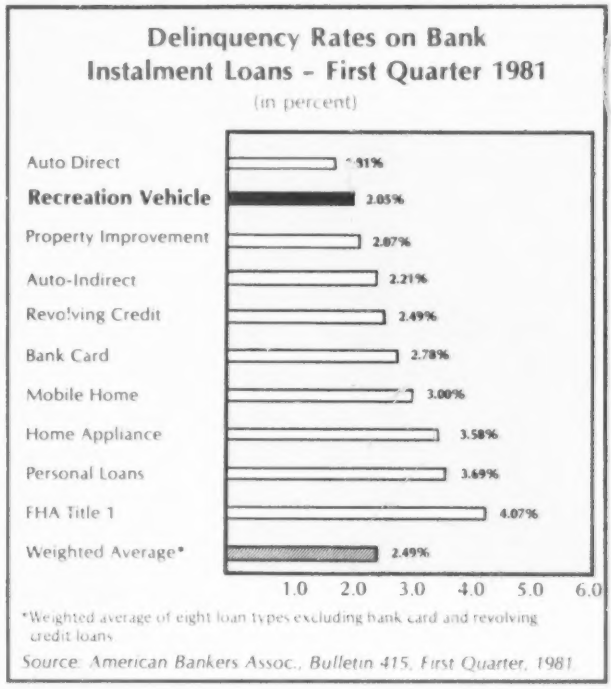
RVIA's standards program reached a milestone on May 12 when its 3 millionth seal was shipped to an RV manufacturer.

The gold, oval-shaped seal engraved with the number 3,000,000 will soon be mounted on the side of an RV produced by Coachmen Industries of Middlebury, IN, which received the special seal in fulfillment of a routine telephone order.

The RVIA seal must be affixed to all motor homes, travel trailers, folding camping trailers and truck campers produced by members of the association. The seal is the RV manufacturer's certification that the RV has been built in compliance with the American National Standard for Recreational Vehicles, sponsored by the American National Standards Institute (ANSI). The RV standard includes more than 500 specifications covering the unit's electrical, plumbing and heating systems as well as its fire and life safety features.

RVIA has a professional staff of standards inspectors who make frequent, unannounced visits to members' plants. Manufactures who do not maintain a satisfactory level of compliance face expulsion from RVIA.

Currently, RVIA has placed ads in several RV consumer publications this spring and summer. The ads remind consumers that the RVIA seal is an easy way to "spot more than 500 RV safety features at a glance."



RV Owners Continue with High Loan Repayment Rating

When it's time for the monthly payment on an RV, nearly all owners are Johnny-on-the-spot with the check. According to a record of loan delinquencies kept regularly by the American Bankers Association, only 2.05% of their RV loans were delinquent in the first quarter of 1981. That record was topped only by those making payments for direct loans on automobiles who maintained their rate of 1.81% set in the fourth quarter of 1980.

This high rating for RVs is a continuation of the #2 spot which RVs captured in the fourth quarter with a rating of 2.00%

Of the ten instalment loan types regularly charted by ABA, two others, bank cards with 2.78% and home appliances with 3.69%, joined RVs in a slight increase over the fourth quarter.

With the exception of personal loans and home appliances, all loan types maintained their same rank from the fourth quarter. Personal loans moved up from ninth spot to eighth position at the expense of the home appliance rating.

FHA Title 1 loans had the highest delinquency rate with 4.07%, down from 4.38% in the fourth quarter.

The ABA defines a delinquent loan as one having an instalment past due for 30 or more days, and the rate of delinquency is based on the total number of loans delinquent as a percentage of the total number of loans outstanding.

Sales Up. . . *(from page 3)*

for, so that money will not have to be taken from the general fund to assure the future of good facilities for recreational purposes.

"These factors will play a key role in assuring the continuing growth of the recreational vehicle industry." Humphreys concluded.

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RV Financial Facts

A quarterly newsletter for the financial community about RVs and the family camping industry...

Vol. 6, No. 3 Fall 1981

FINANCIAL SEMINARS TO OPEN BOTH INDUSTRY SHOWS

Gerald R. Ford, *38th President*

RVIA Leaders Invite Lending Community To Discuss Common Needs

Seminars exclusively for representatives of the lending community will herald the opening day events of each of RVIA's two upcoming national trade shows in Los Angeles and Louisville, according to Robert L. Berner, vice president of Citicorp, New York, and chairman of RVIA's Finance Committee.

The seminars, held successfully at last year's shows for the first time, are designed specifically for officials of banks, finance companies, credit unions and S&Ls. They are intended both for the existing lenders and for those financial institutions that are simply interested in learning more about the industry.

The two shows — the 29th Annual Recreation Vehicle & Manufactured Housing Show at Dodger Stadium in Los Angeles (Nov. 11-13) and the 19th Annual National RV Show in Louisville (Dec. 1-4) — are two of the industry's biggest events.

The lender seminars will be held on Wednesday, Nov. 11 at Dodger Stadium and Tuesday, Dec. 1 at the Kentucky Fair & Exposition Center in Louisville. They will be held from 1 to 4 in the afternoon.

"We've arranged these so that a lender who wishes to learn a lot about the RV industry in a short period of time can easily do so," Berner said. "It's a chance to see the newest products in the industry and hear from some of the top officials in the industry all in a day's time.

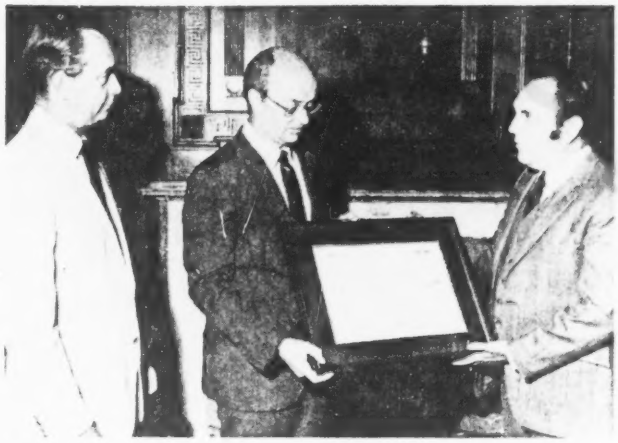
"The Finance Committee continues its efforts to strive for more communication with the lending community," said Berner. "The seminars are but one more way in which the recreation and finance industries can learn from each other. The committee is proud to be able to offer this forum to them."

One of the highlights of the seminars will be Berner's presentation of the results of RVIA's 2nd annual national survey of RV financing. The survey has been conducted in an effort to learn more about lenders' experiences in wholesale, indirect and direct lending, and its findings will provide seminar participants with an understanding of the scope and profitability of the RV market.

(more on page 3)

Ford to Keynote RV Industry Forum
(Complete Story on page 4)

RECREATION VEHICLE INDUSTRY ASSOCIATION RVIA



Interior Secretary James Watt (center) receives RVIA testimonial from President David Humphreys (left) and Board Chairman Elden L. Smith.

WATT HONORED BY RVIA

In recognition of his commitment to improve access to our public lands for recreational use and his forceful endorsement of the multiple use of public lands to benefit all Americans, Secretary of the Interior James G. Watt was honored by RVIA in a ceremony in the Secretary's office on August 27.

Elden Smith, chairman of the board of RVIA, and David J. Humphreys, president and general counsel, presented Watt with an illuminated calligraphic rendering of a resolution passed by the RVIA Board of Directors on June 3. The ceremony took place just prior to an appearance by the Secretary before an American Recreation Coalition roundtable.

Truck Camper Financing Concerns RV Manufacturers

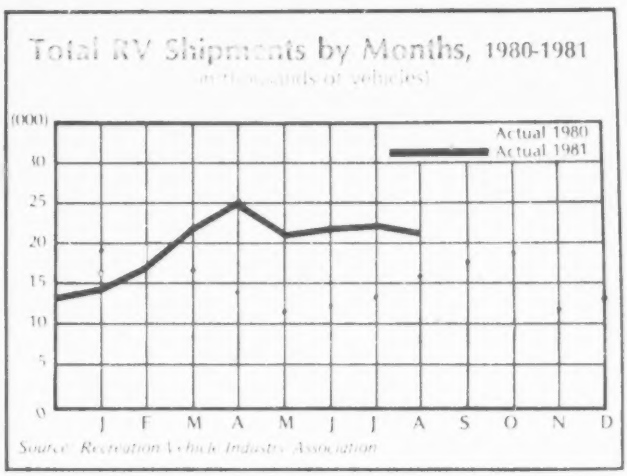
Truck camper manufacturers are reporting that financing for truck campers, as opposed to the financing for other types of RVs, is difficult to obtain — both for floor planning or consumer loans.

The manufacturers believe that the problem is compounded by the fact that most states do not recognize truck campers as vehicles, but rather, consider them personal property — much like refrigerators and television sets — even though they are considerably more expensive. (The typical truck camper product in 1980 sold for $3,400 with some sales as high as $10,000.)

At the Association's recent Committee Week held in September, RVIA's Finance Committee reviewed the problem with the truck camper manufacturers and concurred that there was a reluctance on the part of financial institutions to finance this large ticket item without the security of a Manufacturer's Certificate of Origin and a title.

RVIA is now examining this issue in depth and is considering taking action on a state-by-state basis to require that truck campers be treated as motor vehicles subject to the issuing of MCOs and titles.

A subcommittee of the Public and Legislative Affairs Committee, chaired by Jack Cole of Lance Camper Manufacturing Corp., North Hollywood, CA., a truck camper manufacturer, has been named and they have been directed to examine proposals to implement this plan.



Shipments 42% Ahead of 1980

RV shipments to retailers totalled 21,300 units in August, to rate a 40% increase over August of 1980 and a 42% increase total for the year.

The August figures mark the sixth consecutive month that shipments have topped 20,000 and the largest August since 1978.

Shipments on the year to date stand at 167,300, against 117,800 for the comparable period of 1980.

Towable RVs — travel trailers, folding camping trailers, and truck campers — are 38.4% ahead of last year, with a cumulative total of 76,000 units. Folding camping trailers had the largest change within that group, with a 70.6% gain over August of last year.

Motor homes, consisting of the conventional Type A, van campers (Type B) and chopped vans boasted a year-to-date increase of 42.1% or 25,300 units, up from 1980's 17,800 units. Type A motor homes have increased 69.5% for the total year, with a cumulative total of 10,000 units against 5,900 during the first eight months of 1980.

Multi-use vehicles (van conversions) increased 38.6% over August of 1980 (9,700 units vs. 7,000) to bring their year-to-date total to 66,000 and a healthy increase of 46.3%.

RV Financial Facts

Published quarterly by the Finance Committee of the Recreation Vehicle Industry Association as a service to the financial community. Complimentary subscription available upon request.
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600 New Products on Display as Dealers, Consumers Gather for Biggest Dodger Show Ever

The recreation vehicle portion of the 29th Annual Recreation Vehicle and Manufactured Housing Show at Dodger Stadium in Los Angeles will be 35 to 40 percent bigger than last year, Sid McClellan of Overland Industries, chairman of RVIA's Dodger Show Committee, has announced.

Some 600 of the newest products in the industry will be on display, and more than 3,000 RV dealers and approximately 110,000 consumers are expected to attend. The show, expected to cover 185,000 square feet, is open to dealers, lenders, and other industry personnel from November 11-13 and to the public November 14-22.

"We're expecting a super show," McClellan said. "The response from our exhibitors and from the dealers has been terrific. If we repeat last year's record-breaking public gate (110,000), as we expect to, this could be one of the greatest Dodger Shows we've had."

A popular feature of last year's Dodger Show which is being repeated at this year's event is the Industry Forum, held the day prior to the opening of the show. Sponsored by RVIA's Marketing Committee, the forum gives delegates a chance to hear leading economists, academicians and industry leaders discuss the general business climate and RV sales outlook for the year ahead. Headlining the list of featured speakers will be U. S. Congressman Robert E. Badham, representing the 40th Congressional District of California in the U. S. House of Representatives. Others featured on the program will be: Dr. Eric Thor, Jr., vice president and senior economist, Bank of America, on the economic outlook; Dr. Richard Curtin of the University of Michigan Survey Research Center on consumer preferences in new RVs; RVIA President and General Counsel David J. Humphreys on legislative prospectives for the RV industry; Merle Krantzman of the Warehouse Distributors Association on store merchandising, and others.

The forum will take place from 1 to 4:30 p.m. Nov. 10 at the Los Angeles Hyatt. Registration is $50 before Nov. 2 and $60 after Nov. 2 and at the door.

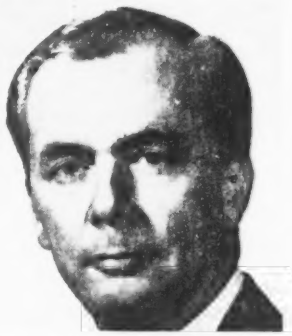
Another highlight of last year's Dodger Show which will be repeated this year is RVIA's Lenders Seminar for officials of banks, finance companies, credit unions and S&Ls on November 11 from 1 to 4 p.m. in the Stadium Club. (Full story on page 1.)

Parties for show attendees will be held on November 10 and 11 in the Grand Ballroom of the Hyatt Regency. The reception on the 10th will have a Western theme. The Les Brown Band will provide entertainment on the 11th.

Show hours during trade days will be 9 to 5 Wednesday and Thursday (Nov. 11 and 12) and 9 to 1 on Friday (Nov. 13). During public days, the show will be open 10 to 9 on Saturdays, 10 to 7 on Sundays and noon to 9 weekdays. The supplier show on Tuesday, Nov. 10 will be open 9 to 5.

RVIA will again offer complimentary continuous bus service to the show from three downtown hotels (L.A. Hilton, L.A. Biltmore and Hyatt Regency) during the trade days.

For further information on the show, contact: Pete Takeda, show director, RVIA's Western Office, 1748 W. Katella, Suite 206, Orange, Calif. 92667, (714) 532-1688.



David J. Humphreys

Elden Smith

Robert L. Berner

Richard Curtin

SPECIAL FINANCIAL SEMINARS *(from page 1)*

Dr. Richard T. Curtin, director of surveys of consumer attitudes at the Survey Research Center of the University of Michigan and one of the nation's foremost researchers in the area of consumer behavior, will also make presentations at both seminars. He is currently working on a new study of the RV consumer as a follow-up to his 1980 study "The RV Consumer: Current Trends & Future Prospects." His new study helps identify RV owner reaction to the tradeoffs of vehicle size for fuel efficiency and the perceived costs vs. benefits of RVing.

Other presentations will be given by RVIA's President and General Counsel David J. Humphreys who will report on the current state of the industry and legislative activities in Washington as they relate to recreation and travel, and Elden Smith, vice president-RV Group, Fleetwood Enterprises, Riverside, Calif., and chairman of the board of RVIA. Smith will talk on new product innovations and technology in the industry. There will also be a 30-minute question and answer period.

The combination of these special seminars exclusively for the financial community, the all-industry forums to be held the day prior to each show, and the chance to see the 1982 product lines at the expositions offers lenders an unparalleled three-part opportunity to see the RV industry in action. They will meet its leaders, and learn of the design and marketing innovations they are making to produce family camping vehicles that meet the needs of today's consumers.

There is no fee for attending the seminars or the shows and financial institutions are encouraged to send as many representatives of their companies as they like. For registration information, contact Gary LaBella, RVIA public relations administrator, P.O. Box 204, Chantilly, VA 22021, (703) 968-7722. Advance registration for each marketing forum is $50.

Dr. Paul Joray

Dr. John Peck

Dr. Robert Johnson

William Fromm

FORD TO KEYNOTE INDUSTRY FORUM AT NATIONAL SHOW

Gerald R. Ford, 38th President of the United States, will address the recreation vehicle industry on November 30 at RVIA's National RV Show in Louisville, Elden Smith, vice president-RV Group, Fleetwood Enterprises and chairman of the board of RVIA, has announced.

Ford will be the keynote speaker at RVIA's annual Industry Forum, which will be held from 1 to 4:30 on Monday afternoon, Nov. 30, the day before the show opens. The 19th Annual National RV Show, the industry's biggest event, runs December 1-4. Both the show and the forum will take place at the Kentucky Fair & Exposition Center, the forum in Broadbent Arena.

Titled, "America's Economic Future for the Small Businessman," Ford's address will include his candid views on the economy, politics and current affairs.

"We think his speech and his appearance before our industry will be remembered as one of the great moments in the Louisville Show's history," Smith said.

Ford is the Industry Forum headliner, but the program also includes several leading economists, academicians and industry officials who will discuss the business climate and RV sales outlook for the year ahead.

Among them are Dr. Paul Joray and Dr. John Peck, professors of economics at Indiana University at South Bend. They will give a joint presentation on the economic forces that will affect RV sales in 1982.

Dr. Richard Curtin, director of surveys of consumer attitudes at the Survey Research Center of the University of Michigan, will speak on "Consumer Preferences in the New RV." He will detail findings of the recently completed second major study of the RV consumer conducted by the Center, as it relates to such issues as RV owner reaction to the tradeoffs of vehicle size for fuel efficiency.

Dr. Robert W. Johnson, executive director of the Credit Research Center at Purdue University, will speak on "Financing Finepoints," offering insight on the most successful finance methods available today.

In addition, David J. Humphreys, RVIA president and general counsel, will speak on "Legislative Prospectives for the RV Industry."

Bill Fromm, president of Barkley and Evergreen Advertising of Overland Park, Kansas, and a representative of the Warehouse Distributors Association, will speak on the how to's of retail store management.

"This is without question the best Industry Forum program that we have had in Louisville so far," said John Agno of Stirling Power Systems and chairman of the RVIA Marketing Committee, producers of the forum. "We expect that many dealers and exhibitors who normally come to Louisville just for the show will be coming a day early this year."

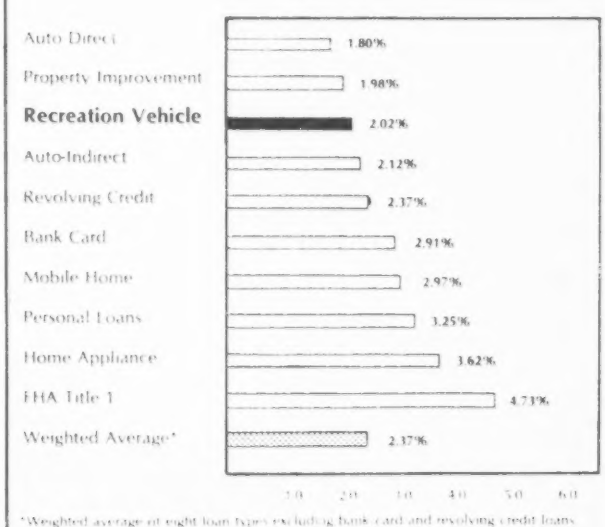
The show will be open from 9 a.m. to 5 p.m. Tuesday through Thursday, Dec. 1-3, and 9 a.m. to 2 p.m., Friday, Dec. 4. There is no show admission charge for dealers and warehouse distributors or lenders.

The fee for the forum is $50 for pre-registrants (before Nov. 16) and $60 for those who register after Nov. 16 or at the door. To receive registration information on the forum or the show, contact RVIA's Show Department, P.O. Box 204, Chantilly, VA 22021, (703) 968-7722 or (800) 336-0154.

Neither the show nor the forum is open to the public.

Delinquency Rates on Bank Instalment Loans - Second Quarter, 1981

(in percent)



*Weighted average of eight loan types excluding bank card and revolving credit loans.

Source: American Bankers Assoc., Bulletin 416, Second Quarter, 1981